

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



June 26, 1979

ALL-COUNTY INFORMATION NOTICE 1-66-79

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP PROGRAM - UNDERWOOD V. HARRIS - LUMP-SUM PAYMENTS

This letter is to inform you that certain food stamp households may receive lump-sum retroactive payments from HUD later this year as the result of a class action suit settlement. The affected persons were tenants of Section 236 lower-income rental housing projects between February 1975 through September 1977.

HUD incorrectly withheld certain subsidy payments to owners of Section 236 lower-income rental housing projects. This resulted in the owners passing through the increased costs to the tenants, in violation of the intent and implementation of this program. Refund payments to the tenants for excess rental payments will be based on the number of months they resided in Section 236 projects, therefore, the refunds will be in varying amounts.

For food stamp purposes, Section 236 refund payments shall be treated as a nonrecurring lump-sum payment pursuant to Section 63-501.11 and counted as a resource in the month received.

If you have any further questions, please contact your Food Stamp Program Operations analyst at (916) 322-5475.

Sincerely,

*Kyle S. McKinsey*  
KYLE S. McKINSEY  
Deputy Director

cc: CWDA

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